

Adopted	Rejected
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COMMITTEE REPORT

YES:	8
NO:	6

MR. SPEAKER:

*Your Committee on Insurance, Corporations and Small Business, to which was referred Senate Bill 122, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

1 Page 1, between the enacting clause and line 1, begin a new
 2 paragraph and insert:
 3 "SECTION 1. IC 27-1-20-21, AS AMENDED BY P.L.268-1999,
 4 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2003]: Sec. 21. (a) Every company doing business in this state
 6 shall file with the department on or before March 1 in each year a
 7 financial statement for the year ending December 31 immediately
 8 preceding in a format in accordance with IC 27-1-3-13. For good and
 9 sufficient cause shown, the commissioner may grant to any individual
 10 company a reasonable extension of time not to exceed ninety (90) days
 11 within which such statement may be filed. Such statement shall be
 12 verified by the oaths of the president or a vice president and the
 13 secretary or an assistant secretary of the company. The statement of an
 14 alien company shall segregate and state separately its condition and

transaction in the United States and such segregated and separated statement shall be verified by the oath of its resident manager or principal representative in the United States. The commissioner of insurance may, with the approval of the commission on public records, authorize the destruction of such annual statements which have been on file for ~~two (2)~~ **ten (10)** years or more and microfilm copies of which have been made and filed.

(b) A company that during the previous calendar year provided insurance described in Class 2(e), Class 2(f), or Class 2(h) of IC 27-1-5-1 to an Indiana political subdivision (as defined in IC 34-6-2-110) shall file with the department, as an additional part of the financial statement required under subsection (a), an exhibit of premiums and losses reflecting the company's financial results exclusively in connection with the insurance described in this subsection.

(c) The exhibit required under subsection (b) must:

(1) set forth figures indicating:

(A) direct premiums written;

(B) direct premiums earned;

(C) direct losses paid;

(D) direct losses incurred;

(E) direct losses unpaid;

(F) allocated loss adjustment expenses; and

(G) unallocated loss adjustment expenses;

for the year of the financial statement in connection with the insurance described in subsection (b); and

(2) report:

(A) the number of jury awards paid under the provisions of the insurance described in subsection (b) and the total amount paid for all jury awards;

(B) the number of court awards, not including jury awards, paid under the provisions of the insurance described in subsection (b); and

(C) the number of negotiated settlements paid under the provisions of the insurance described in subsection (b) and the total amount paid for all negotiated settlements;

during the calendar year.

(d) The information described in subsection (c) must be

1 **reported in each year after 2003.**

2 SECTION 2. IC 27-1-22-2.5, AS AMENDED BY P.L.132-2001,
3 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2003]: Sec. 2.5. (a) As used in this chapter, "exempt
5 commercial policyholder" means an entity that:

6 (1) makes written certification to the entity's insurer on a form
7 prescribed by the department that the entity is an exempt
8 commercial policyholder;

9 (2) has purchased the policy of insurance through an insurance
10 agent licensed under IC 27-1-15.6 or IC 27-1-15.8; and

11 (3) meets any three (3) of the following criteria:

12 (A) Has a net worth of more than twenty-five million dollars
13 (\$25,000,000) at the time the policy of insurance is issued.

14 (B) Has a net revenue or sales of more than fifty million
15 dollars (\$50,000,000) in the preceding fiscal year.

16 (C) Has more than twenty-five (25) employees per individual
17 company or fifty (50) employees per holding company
18 aggregate at the time the policy of insurance is issued.

19 (D) Has aggregate annual commercial insurance premiums,
20 excluding any worker's compensation and professional liability
21 insurance premiums, of more than seventy-five thousand
22 dollars (\$75,000) in the preceding fiscal year.

23 (E) Is a nonprofit ~~or a public~~ entity with an annual budget of
24 at least twenty-five million dollars (\$25,000,000) or assets of
25 at least twenty-five million dollars (\$25,000,000) in the
26 preceding fiscal year.

27 (F) Procures commercial insurance with the services of a risk
28 manager.

29 An entity meets the written certification requirement under subdivision
30 (1) if the entity provides a copy of a certification previously submitted
31 under subdivision (1) and if there has been no significant material
32 change in the entity's status. **The term does not include a political**
33 **subdivision (as defined in IC 34-6-2-110).**

34 (b) As used in this chapter, "risk manager" means a person qualified
35 to assess an exempt commercial policyholder's insurance needs and
36 analyze and negotiate a policy of insurance on behalf of an exempt
37 commercial policyholder. A risk manager may be:

38 (1) a full-time employee of an exempt commercial policyholder

1 who is qualified through education and experience or training and
 2 experience; or

3 (2) a person retained by an exempt commercial policyholder who
 4 holds a professional designation relevant to the type of insurance
 5 to be purchased by the exempt commercial policyholder.".

6 Page 11, between lines 2 and 3, begin a new paragraph and insert:

7 "SECTION 7. IC 34-13-3-20, AS AMENDED BY P.L.192-2001,
 8 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2003]: Sec. 20. (a) A political subdivision may:

10 (1) purchase insurance;

11 (2) **maintain a program of self-insurance; or**

12 (3) **act in concert with another political subdivision to provide**
 13 **a program, a pool, a trust, or an agreement;**

14 to cover the liability of itself or its employees, including a member of
 15 a board, a committee, a commission, an authority, or another
 16 instrumentality of a governmental entity. Any liability insurance so
 17 purchased shall be purchased by invitation to and negotiation with
 18 providers of insurance and may be purchased with other types of
 19 insurance. If such a policy is purchased, the terms of the policy govern
 20 the rights and obligations of the political subdivision and the insurer
 21 with respect to the investigation, settlement, and defense of claims or
 22 suits brought against the political subdivision or its employees covered
 23 by the policy. However, the insurer may not enter into a settlement for
 24 an amount that exceeds the insurance coverage without the approval of
 25 the mayor, if the claim or suit is against a city, or the governing body
 26 of any other political subdivision, if the claim or suit is against such
 27 political subdivision.

28 (b) The state may not purchase insurance to cover the liability of the
 29 state or its employees. This subsection does not prohibit any of the
 30 following:

31 (1) The requiring of contractors to carry insurance.

32 (2) The purchase of insurance to cover losses occurring on real
 33 property owned by the public employees' retirement fund or the
 34 Indiana state teachers' retirement fund.

35 (3) The purchase of insurance by a separate body corporate and
 36 politic to cover the liability of itself or its employees.

37 (4) The purchase of casualty and liability insurance for foster
 38 parents (as defined in IC 27-1-30-4) on a group basis.

- 1 SECTION 8. IC 27-1-20-34 IS REPEALED [EFFECTIVE JULY 1,
- 2 2003].".
- 3 Renumber all SECTIONS consecutively.
 (Reference is to SB 122 as reprinted February 25, 2003.)

and when so amended that said bill do pass.

Representative Fry